International Trade Canada | Commerce international Canada

Canada

CanadExport

Vol. 23, No. 3
February 15, 2005

Now is the time

Canada-Turkey conference and trade mission set to go

ISTANBUL AND ANKARA — May 9, 2005 — The annual joint conference of the Canadian-Turkish Business Council (CTBC) and Turkish-Canadian Business Council of the Turkish Foreign Economic Relations Board (DEIK) will bring together business and government leaders from both countries to explore ways to further expand trade and investment.

The conference is part of a trade mission to be held from May 8 to 11, 2005. Canadian companies are encouraged to take advantage of the many opportunities available in Turkey. Turkish companies are also looking westward to Europe and North America for business partners, financiers and suppliers of a broad range of goods and services. For this reason, the conference theme is *"Canada and Turkey: Now is the Time."*

Who should attend?

Canadian companies already doing business in Turkey can make new contacts and reinforce existing relationships to increase their profile and raise important issues that could advance their business activities.

Companies not yet familiar with Turkey can also meet with senior business and political leaders to increase their understanding of the Turkish political and regulatory environment, learn about opportunities in the country and leverage the experience of other companies already present there.

Canadian companies already established in Europe will learn about the benefits of manufacturing in Turkey and discover its role as a manufacturing base for goods destined for the European market. Canadian companies interested in Russia and Central Asia will meet Turkish business leaders who can make valuable partners in this growing region.

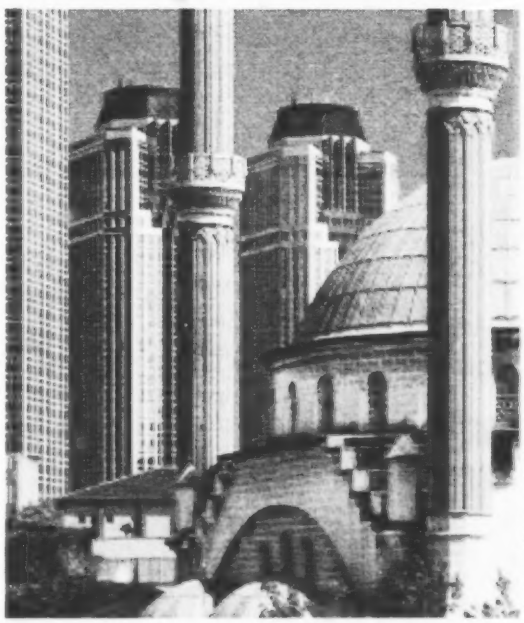

Photo credit: Izzet Keribar

Istanbul stands tall: The city is leading the modernization of Turkey.

Financial institutions and venture capital investors will have the opportunity to promote the strengths of Canadian financial markets and sources of financing to key contacts in the Turkish business community.

All participants can take advantage of contacts established by the CTBC, the only organization in Canada with an extensive network in Turkey

continued on page 3 — Canada-Turkey conference

2007-01814/

Reforms increase opportunity in Turkey

Turkey is at a very exciting time in its history. Never before has Turkey had such potential to become a major centre for business and commerce. As this modern, democratic, secular state looks to join the European Union, it continues to institute a massive program of political, economic, social and judicial reforms to align itself with European laws and practices. Preparation for EU accession, coupled with the government's structural reforms, make this an ideal time for Canadian companies to take advantage of the opportunities this country offers.

Impressive performance

Turkey's recent macroeconomic performance of high growth and low inflation, coupled with a $12 billion IMF standby agreement starting in 2005, has enhanced market stability.

With a population of over 70 million and the world's 17th-largest economy, Turkey is expected to outpace the average growth of countries in the E.U. over the next few years. This growth represents tremendous commercial potential for the Canadian business community.

Canada-Turkey trade has nearly tripled in the last decade, reaching $738 million in 2003 and over $800 million in the first ten months of 2004. Canadian investment in Turkey totals a sizeable $650 million, mostly in telecommunications and mining. Opportunities for Canadian companies are promising in various sectors, with the Ankara Metro Project and the natural gas distribution system notable Canadian exports. Turkey's customs union agreement with the EU, and its strategic location between Asia and Europe, make it an ideal platform to reach markets in Europe, Russia and the Central Asian republics.

Why invest in Turkey?

Turkey's aggressive reforms, privatization programs and new investment incentives make it an attractive destination for Canadian investors. Total foreign investment in Turkey for 2004 is estimated at $1.95 billion, and $18 billion in foreign capital investments are expected between 2005 and 2007.

Market overview

Quality, technological sophistication and price are the most important factors affecting competition in the Turkish market. Appointing an agent or distributor, working with a local partner and the ability to provide a financing package are also keys to success. Turkey has a relatively free market for trade in goods and services, and Turkish companies offer good partnering potential for third-country cooperation.

Opportunities in Turkey include, but are not limited to, the following sectors:

Advanced manufacturing technologies and industrial automation

Opportunities exist in robotics, electronic eye devices, sensors, programmable logic controller units and software packages. Turkish state-owned public utility companies and manufacturers in the paper, automotive, chemicals, petrochemicals, plastics, metallurgy, cement, food and beverage, pharmaceuticals, glass, textile and energy sectors are potential buyers.

Aerospace and defence

Turkey has the second-largest military force in NATO. Joint venture and technology transfer opportunities exist in a wide range of defence equipment and services. Expansion by the state-owned Turkish Airlines and newly established private regional airlines also provide opportunities in corporate and regional aircraft sales.

Agriculture and food products

Turkey is a major importer of lentils, seed potatoes, sweet potatoes, dried peas, rice, corn and soybeans. In order to increase international competitiveness for processed foods, the Turkish government is taking measures to stimulate investment and technology transfer in this sector. Opportunities also exist in breeding, artificial insemination and embryo transfer, animal feed, plant cultivation and combatting animal diseases.

Construction

A fast-growing population and increased urban migration have made the construction sector a driving force in Turkey's economic development. This, plus the introduction of a national mortgage system in 2005, is increasing the demand for residential housing. Potential exists for the sale of Canadian commercial and residential building products as well as in the sale of single-family homes, earthquake-resistant light steel framed construction and joint venturing with Turkey's world-class construction firms.

Energy

Turkey is a land bridge for the distribution of oil and gas from the Caspian

continued on page 3 — Reforms in Turkey

CanadExport

Editorial team: Yen Le
Michael Mancini
Jean-Philippe Dumas

Subscriptions
Telephone: (613) 992-7114
Fax: (613) 992-5791
E-mail: canad.export@international.gc.ca
Web site: www.canadexport.gc.ca

CanadExport is published twice monthly by International Trade Canada's Communications Service Division.
Circulation: 55,000

CanadExport paraît aussi en français.

ISSN 0823-3330

Extracts from this publication may be reproduced for individual use without permission, provided the source is fully acknowledged. However, reproduction of this publication in whole or in part for purposes of resale or redistribution requires written permission from *CanadExport*.

For address changes and cancellations, return your mailing label with changes. Allow four to six weeks.

Publication Mail Agreement Number: 40064047

Return undeliverable Canadian addresses to:
CanadExport (BCS), ITCan
125 Sussex Drive, Ottawa, ON K1A 0G2
E-mail: canad.export@international.gc.ca

Reforms in Turkey

— from page 2

and Central Asian regions to world markets. The Baku-Tbilisi-Ceyhan oil and Blue Stream gas pipelines are only the first designed to enhance energy transit through Turkey and allow for expansion of domestic distribution networks. This makes Turkey a promising market for pipeline construction and rehabilitation, engineering, equipment and materials, as well as oilfield equipment. Turkey's demand for electric power is spurring plans to develop hydro resources and possible long-term plans for nuclear power. The liberalization of the electricity market and privatization of domestic gas distribution will allow easier access for foreign investment in these areas.

Environment

Improved standards regarding sewage and medical and industrial waste, along with pressures to conform with European environmental standards contribute to the growth of this sector and create opportunities for sales of pollution control equipment, municipal waste water treatment, solid waste disposal and incineration of medical waste. Another area of opportunity is environmental impact assessment for the Turkish mining and energy industries.

Health

The Turkish health care sector, with the aid of World Bank financing, is undergoing dramatic restructuring. Turkey is an attractive market for exporters of medical equipment and supplies such as cancer therapy equipment, orthopaedic implants and appliances, x-ray devices and pharmaceuticals, as well as consulting services and knowledge transfer through joint venture or licensing agreements. The Turkish Ministry of Health is the largest single buyer of medical products. Other potential buyers of high-tech equipment and products include private clinics, hospitals and diagnostic labs.

Canada's new embassy in Ankara

ICT

The Turkish telecommunications sector is growing rapidly with an annual network capacity growth of around 7%. Türk Telekom (TT) owns the telecommunications infrastructure with a comprehensive range of services. Deregulation of the industry, which started in January 2004, and plans to privatize TT in 2005, are expected to attract new investment and help create a more competitive industry.

Mining and equipment

Turkey has significant geological potential and is very much underexplored. The country's new mining law, which provides incentives for investment in mine operations, exploration and development, is expected to encourage foreign investment in this sector. Major opportunities exist in upgrading facilities for mining boron, coal, zinc, copper, gold and silver, as well as iron ore, bauxite and lead. Other opportunities include engineering services and equipment supply.

Transportation

The Turkish government is planning the construction of new airports, ports and highways, creating opportunities for building products, construction machinery, automotive parts, service equipment, architectural, construction and engineering services, and travel and tourism infrastructure. Various urban transit system projects also offer opportunities for Canadian companies.

For more information, go to www.infoexport.gc.ca/tr, www.itcan-cican.gc.ca or www.ctbc.ca.

Canada-Turkey conference

— from page 1

through its partnership with DEIK and its relationship with the Canadian Embassy in Turkey, International Trade Canada (ITCan) and Canadian Manufacturers and Exporters (CME). The mission and conference is aimed at senior executives of Canadian companies, including small and medium-sized enterprises in a broad range of sectors.

Attend this conference and learn more about this growing and dynamic market. **The registration deadline is April 15, 2005.**

For more information, go to www.ctbc.ca, or contact Aida Viveiros, CTBC conference and mission administrator, CME, tel.: (905) 568-8300, ext. 288, e-mail: aida.viveiros@cme-mec.ca.

Exporters may also wish to contact Richard Ross, CTBC President, e-mail: rossr@inmetmining.com, Jennifer Barbarie, Canadian Embassy in Turkey, tel.: (011-90-312) 409-2773, e-mail: jennifer.barbarie@international.gc.ca, or David Clendenning, ITCan, tel.: (613) 996-4484, e-mail: david.clendenning@international.gc.ca.

Florida water shortage could open doors for Canada

Water and wastewater management in Florida offers significant potential for Canadian environmental firms. There is a critical shortage of potable water in Florida, with water use expected to increase by 30% by 2020. Some areas of the state may experience permanent drought as early as 2010. Additionally, there are fewer safe areas where treated wastewater can be stored, and alternative storage techniques are needed.

Florida's population of over 17 million relies heavily on groundwater for consumptive and industrial water supplies. With a predicted population of 20.7 million by 2025, the demands for potable water are increasing as Florida's water supply is progressively exhausted. To keep up, Florida's drinking water infrastructure will need an estimated $5.2 billion in investments for repair and new developments over the next 20 years. The table illustrates Florida's budgetary priorities for water project funding.

Wastewater treatment and storage in Florida also needs an estimated $8.4 billion in infrastructure investment over the next 15 years. Many counties in Florida use treated groundwater aquifer storage and recovery systems (ASR). In these systems, groundwater is sourced from underground aquifers by drilling deep wells. In periods of excess water supply, water can be pumped into the aquifer to be held for use during periods of drought and excess demand.

Many counties in the state also use underground wells to store treated wastewater. Following use and treatment, the wastewater is pumped into underground wells that can no longer be used to draw groundwater. The storage wells are increasingly in short supply, and new systems must be developed to handle Florida's wastewater.

The most significant project taking place in Florida is the Comprehensive Everglades Restoration Program (CERP). With an expected project life of 50 years, the plan is to restore, protect and preserve the water resources of central and southern Florida at an estimated cost of $16.1 billion. Opportunities may be available for a wide range of Canadian environmental products and services.

Canadian environmental firms may be able to supply wastewater treatment technologies to the Miami-Dade County Water and Sewer Department. Due to concerns over the possibility of treated wastewater leaking into new wells, the Florida Department of Environmental Protection and the Southwest Water Management District have suggested that the Miami-Dade County Water and Sewer Department include in its plans the construction of a $560-million wastewater treatment plant. The treatment plant would pump drinkable quality wastewater into the unused wells, thus minimizing the risk from any leakage to the county's drinking water supply. Canadian innovation for water treatment techniques and equipment may be needed.

Potential wastewater supply contracts may also come from a $25.2 million plan by the Florida Department of Environmental Protection to construct wastewater infrastructure in the Florida Keys. Additionally, the 2004-2005 Florida State Budget has allocated $14 million to Florida's five water management districts for surface water and stormwater improvement projects. The need for new techniques for water improvement may offer lucrative opportunities to Canadian environmental firms.

For more information, contact Beatrice Nöel, Trade Commissioner, Canadian Consulate General in Miami, tel.: (305) 579-1600, fax: (305) 374-6774, e-mail: beatrice.noel@international.gc.ca, Web sites: www.international.gc.ca/can-am/miami.

Water Project Funding in Florida from 1999-2000 to 2004-2005

Program	1999-2004	2004-2005	Total
Everglades restoration	$567.4 million	$140.1 million	$707.5 million
Grants to local governments & water management districts	$456.0 million	$53.2 million	$509.2 million
Loans for clean water program	$870.4 million	$133.1 million	$1003.5 million
Loans for drinking water program	$280.2 million	$63.0 million	$343.2 million

Source: Florida E-Budget (2004)

Uranium mine development gets go ahead

In late December, Japan's Idemitsu Kosan and Tokyo Electric Power Corporation (Tepco), together with Canada's Cameco and France's Cogema, have given the green light to an investment of $447 million to develop the Cigar Lake uranium mine in Northern Saskatchewan.

This will be the first time either Japanese firm will participate in an overseas uranium mine development project. Idemitsu expects to receive about 540 tons of uranium from the mine each year, which it plans to sell to domestic power companies. Tepco, which consumes about 3,000 tons of uranium annually for nuclear power generation, aims to secure a steady supply of nuclear fuel. Through the project, Tepco expects to procure 12% of this figure, or 350 tons, each year.

There are 52 nuclear reactors in Japan (12% of the world's 438 reactors), providing about 34% of the country's energy. They required 7,660 tons of uranium in 2004. With uranium reserves proven at 136,000 tons, Cigar Lake is viewed as one of the world's richest uranium mines. Once operational, the mine will produce 9,000 tons of uranium per year.

Three additional reactors are currently under construction in Japan and 12 more are planned over the next 11 years.

The decision to proceed follows a long-awaited approval by the Canadian Nuclear Safety Commission (CNSC) to issue a construction license for the project.

Construction of mining facilities began in January, and the mine is expected to produce uranium over 15 years, starting in 2007. Plans to develop this mine had been stalled for two decades due primarily to environmental considerations.

Saskatoon-based Cameco has a 50.03% stake in the project, while Cogema has 37.1%, Idemitsu Kosan Co. 7.87%, and Tepco a 5.0% share.

In 2003, Japan imported $40 million worth of yellow cake uranium from Canada, about 58% of total Japanese yellow cake imports. Some $220 million of the enriched uranium that Japan imported originated from Canada, for a total of about $260 million.

For more information, go to www.cameco.com.

Make the link at Taiwan food show

TAIPEI, TAIWAN — June 16-19, 2005 — The Canadian Trade Office in Taipei is currently recruiting exhibitors for the Canadian pavilion at the **Taipei International Food Show**, one of Asia's biggest food industry shows.

With rising income levels and an affinity for Canada, Taiwan is becoming an increasingly important customer for Canadian food and beverage products. Perhaps surprisingly, Taiwan is Canada's number one customer for Canadian icewine.

Taiwan may be much smaller than China—it has a population of 23 million—but disposable income there is higher and consumers are developing a taste for western-style goods. Taiwan's GDP grew by 5.8% in 2004 and is forecast to expand by 4.3% in 2005.

Reaching out

There is increasing foreign investment in Taiwan's retail food sector. In fact, since hypermarkets, supermarkets and other modern outlets account for just 25% of consumer sales, opportunities for Canadian companies in this sector are plentiful.

Taiwan's agricultural imports have steadily increased since joining the WTO in 2002. For instance, Taiwan consumed a record amount of Canadian pork products in 2004, becoming Canada's fifth-largest customer worldwide. Prior to a temporary ban, Taiwan was also Canada's fifth-largest export market for beef. Canadian fish and seafood have also been popular in this market, and Taiwan resently removed its quota on poultry imports.

Other best-selling Canadian products include beverages, canola oil, snack foods, fruits and vegetables, confectionery, dairy products and a range of processed items. Health food products and organic products are also growing in popularity.

Get started

Accessing the Taiwan market is usually done through a local agent or distributor. However, the Canadian Trade Office in Taipei can help Canadian companies by introducing them to buyers or including new products in Canadian food promotions like the Canadian pavilion at the Taipei International Food Show.

For more information, contact Karen Huang, Senior Commercial Officer, Canadian Trade Office in Taipei, e-mail: karen.huang@international.gc.ca, Web site: www.canada.org.tw/english/missions.php.

THE CANADIAN TRADE COMMISSIONER SERVICE

SIAL Montreal 2005

www.sialmontreal.com

Montreal, Canada — April 13-15, 2005 —Looking for an opportunity to expand your markets, launch new products, meet new buyers and showcase your products internationally? Then don't miss **SIAL Montreal 2005**, the leading North American trade show for agri-food professionals.

Canadian pavilion

The Government of Canada will be on-site at SIAL Montreal 2005 at the Canadian pavilion to promote its programs and services in the agriculture and agri-food industries to Canadian companies and international visitors. Whether it's a question about food safety or quality, customs regulations, importing and exporting, market development, financing or investment, government representatives will be available at the Canadian pavilion to help companies in their business pursuits.

Conference: Exporting to the United States

If you want to increase your exports to the U.S., don't miss the chance to participate in the "Exporting to the United States" conference at SIAL Montreal. The conference will take place on the morning of April 15, before the trade floor opens. The following topics will be discussed: the perception of American consumers, American food regulations, and consumer trends.

You can obtain more information on this conference by visiting the "Special Events" section of the SIAL Montreal 2005 Web site at www.sialmontreal.com or by sending an e-mail to infocafeexport@agr.gc.ca.

Export Café

Would you like to find out more about trends in international trade? Are you looking for financial solutions for your business? Would you like to set up a meeting with Canadian trade commissioners posted around the world to discuss export opportunities for your products? If so, we invite you to attend the Export Café on the morning of April 13, before the official opening of the SIAL exhibition.

The Export Café is a networking and information initiative for Canadian companies organized jointly by International Trade Canada, Agriculture and Agri-Food Canada, Farm Credit Canada and Export Development Canada. If you would like to register or to find out more about this initiative, send an e-mail to infocafeexport@agr.gc.ca.

VIRTUAL TRADE COMMISSIONER

Your gateway to the Trade Commissioner Service
www.infoexport.gc.ca.

Rebuild Iraq 2005 just around the corner

AMMAN, JORDAN — April 4-7, 2005 — **Rebuild Iraq 2005** is the second international trade exhibition for the rebuilding of Iraq. Last year's exhibition, which was held in Kuwait, received the largest international support ever extended to any trade event in the region. The show welcomed more than 1,400 companies from over 48 countries.

The demand in Iraq for the full range of infrastructure supplies and equipment, services and technologies for key economic and industrial sectors has been estimated to exceed $195 billion over the next ten years. Major sectors at the show include: building and construction, oil and gas, electricity, HVAC, telecommunication, agriculture and food, health and environment, hospitality, packaging and printing, education, industrial machinery, security and IT.

This year's exhibition will offer international suppliers a safe meeting place to present their products and technologies to Iraqi entrepreneurs, regional and international contractors and subcontractors, traders and importers, and Iraqi officials responsible for the Iraq Development Fund.

To give added value to participating international delegations and acquaint them with the security and business environment in Iraq, organizers will also hold a two-day conference. This event will address all the major issues including security, finance, contracting, business, health, infrastructure development and trade.

For more information, or to register, contact Bechara Nacouzi, International Trade Fairs, tel.: (514) 685-3530, fax: (514) 685-6873, e-mail: bnacouzi@videotron.ca. For more information on the Iraqi market, contact Albert Galpin, Middle East Division, Foreign Affairs Canada and International Trade Canada, tel.: (613) 944-2396, fax: (613) 944-7975, e-mail: albert.galpin@international.gc.ca.

Iraq reconstruction in numbers:

- 2,500 Iraq reconstruction projects
- $18.6 billion has been set aside by the U.S. for Iraq's reconstruction
- $33 billion has been committed by other global donors
- $220 billion to be spent in medium and long-term

Short term investment needed by sector:

- wastewater resources and potable water: $4 billion
- oil and gas: $15 billion
- electricity: $20 billion
- infrastructure: $6 billion
- IT and telecom: $8 billion
- health facilities and public schools: $2 billion
- housing: 2 million new homes

Doing business with the UN in Iraq

Procurement is organised by individual UN executing agencies according to their own financial rules and procedures. For large-scale procurement (over $100,000) the UN system uses two types of international competitive bidding: invitation to bid, where companies are requested to bid against precise specifications for goods, and request for proposal, for consulting or similar services. The UN is looking for:

- consultants in diverse fields such as education, financial management, environmental assessment, public health, governance and community planning;
- manufacturers, wholesalers and exporters of many types of products, from heavy equipment, agricultural tools and vehicles to specialized materials, personal computers and pharmaceuticals; and
- engineering and contracting firms with expertise in infrastructure projects, water, sanitation, power systems, and construction, among others.

For more information, go to www.irffi.org and click on 'UNDG Iraq Trust Fund', 'UN Procurement' and 'Current Opportunities.'

Turkey Trade Fair Calendar

ISTANBUL — March 17-20, 2005 — The **12th Industrial Automation Fair** is an advanced manufacturing systems, automation technology software and systems trade fair. (www.win-fair.com)

ISTANBUL — March 31 - April 3, 2005 — **Foteg Istanbul 2005** is one of Turkey's premier food technology exhibitions. (www.hkf-fairs.com)

ISTANBUL —June 9-12, 2005 — **Homeland Security Istanbul 2005** is a security, international police, rescue and equipment show. (www.cnr-homelandsecurity.com)

ISTANBUL —August 25-27, 2005 — **VIV Poultry Turkey** is an international exhibition and networking event for the poultry sector. (www.hkf-fairs.com)

ISTANBUL —September 6-11, 2005 — **CeBIT Eurasia Istanbul 2005** is an information technology, telecommunications, software and services trade fair. (www.cebitbilisim.com)

ANKARA —September 27-30, 2005 — **IDEF 2005** is an international defence industry fair. In fact, it is one of the most important trade shows in Turkey for military systems and equipment. (www.tuyap.com.tr)

Istanbul — November 10-13, 2005 - **Safety & Security 2005** is a trade fair for the electronic security, fire prevention systems, security automation, safety and security industries. (www.interteks.com)

For more information on these trade fairs, contact Can Ozguc, Trade Commissioner, Canadian Embassy in Turkey, e-mail: can.ozguc@international.gc.ca, tel.: (011-90-312) 409-2753, fax: (011-90-312) 409-2715.

ISTANBUL — March 24-27, 2005 — **EXPOMED 2005** is an international health care, hospital and laboratory equipment and materials show. (www.tuyap.com.tr)

ISTANBUL — April 21-24, 2005 — **Petroleum Istanbul** is an international oil and gas equipment and service show. (www.tuyap.com.tr)

ISTANBUL — May 4-8, 2005 — **Building 2005** is a building products and construction technologies show. (www.tuyap.com.tr)

ISTANBUL — May 17-22, 2005 — **Printing and Paper Industry Show** is the country's biggest printing and pulp and paper manufacturing equipment show. (www.tuyap.com.tr)

IZMIR — June 9-12, 2005 — **MINEX 2005** is an international mining equipment and technologies trade show. (www.camese.org)

ISTANBUL — June 30 - July 3, 2005 — **Recycling 2005** is a solid waste disposal and recycling technologies trade fair. (www.tuyap.com.tr)

ISTANBUL — September 29 - October 2, 2005 — **Metallurgy 2005** is a metal processing technology and equipment trade fair. (www.cnroverseas.com)

ISTANBUL — September 29 - October 2, 2005 — **Energy 2005** is a power generation, transmission and distribution technologies trade fair. (www.cnroverseas.com)

For more information on these trade fairs, contact Akin Kosetorunu, Trade Commissioner, Canadian Embassy in Turkey, e-mail: akin.kosetorunu@international.gc.ca, tel.: (011-90-312) 409-2754, fax: (011-90-312) 409-2715.

Enquiries Service

International Trade Canada's and Foreign Affairs Canada's Enquiries Service provides counselling, publications and referral services to Canadian exporters. Trade-related information can be obtained by calling **1-800-267-8376** (Ottawa region: **(613) 944-4000**), by fax at **(613) 996-9709**, or Web site at **www.international.gc.ca**.

Return requested
if undeliverable:
CanadExport (BCS)
125 Sussex Drive
Ottawa, ON K1A 0G2

Canada Post
Agreement Number 40064047